

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WESTERN ROCKCASTLE)	
WATER ASSOCIATION, INC., OF ROCKCASTLE,)	
LINCOLN AND PULASKI COUNTIES, KENTUCKY,)	CASE NO.
FOR A CERTIFICATE OF PUBLIC CONVENIENCE)	2003-00496
AND NECESSITY TO CONSTRUCT, FINANCE AND)	
INCREASE RATES PURSUANT TO KRS 278.023)	

O R D E R

On January 14, 2004, Western Rockcastle Water Association, Inc. ("Western Rockcastle") submitted an application for a Certificate of Public Convenience and Necessity to construct, finance, and increase rates for an \$822,000 waterworks improvement project. This project consists of the installation of approximately 13.5 miles of 8-inch through 3-inch water transmission mains and related appurtenances to provide service to approximately 117 new customers. Project funding consists of a \$418,600 loan from the U.S. Department of Agriculture's Rural Development ("RD"), a \$314,400 grant from the RD, and an \$89,000 contribution from the applicant.

Western Rockcastle's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U.S. Department of Agriculture or the U.S. Department of Housing and Urban Development and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing

requirements were met in the case on January 14, 2004, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Western Rockcastle is granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Western Rockcastle's proposed plan of financing is accepted.

3. Western Rockcastle is authorized to issue bonds not to exceed \$418,600 at an interest rate not exceeding 4.5 percent per annum over a period not to exceed 40 years.

4. Western Rockcastle shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

5. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.

6. Western Rockcastle shall file a new tariff to include the initial rates as set out in Appendix A within 30 days of the date of this Order.

7. Western Rockcastle shall obtain approval from the Commission prior to performing any additional construction not expressly authorized by this Order.

8. Western Rockcastle shall notify the Commission one week prior to the actual start of construction and at the 50 percent completion point.

9. Three years from the effective date of this Order, Western Rockcastle shall file an income statement, along with any pro forma adjustments, in sufficient detail to

demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 11th day of February, 2004.

By the Commission

ATTEST:


Executive Director

Case No. 2003-00496

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2003-00496 DATED February 11, 2004

The following rates and charges are prescribed for the customers in the area served by Western Rockcastle Water Association, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8" x 3/4" Meter

First	2,000	gallons	\$ 14.40	Minimum bill
Next	3,000	gallons	5.10	per 1,000 gallons
Next	5,000	gallons	4.70	per 1,000 gallons
Next	15,000	gallons	4.20	per 1,000 gallons
All Over	25,000	gallons	3.10	per 1,000 gallons

1" Meter

First	5,000	gallons	\$ 29.70	Minimum bill
Next	5,000	gallons	4.70	per 1,000 gallons
Next	15,000	gallons	4.20	per 1,000 gallons
All Over	25,000	gallons	3.10	per 1,000 gallons

1 1/2" Meter

First	10,000	gallons	\$ 53.20	Minimum bill
Next	15,000	gallons	4.20	per 1,000 gallons
All Over	25,000	gallons	3.10	per 1,000 gallon

2" Meter

First	25,000	gallons	\$ 116.20	Minimum bill
All Over	25,000	gallons	3.10	per 1,000 gallons